

Memorandum

To: Chair and Commissioners

Date: January 28, 2002

From: Diane C. Eidam

**File No:
Reference Number 2.1e(2)
Action**

Ref: Project Approval Amendment to the Department of Transportation for \$18,000,000 in Proposition 116 funds for the Pacific Coast Highway Grade Separation Project Amending PA-99-22

Issue:

Should the Commission approve the attached resolution for the Department of Transportation's (Department's) Alameda Corridor Pacific Coast Highway Grade Separation Project for \$18,000,000 in Proposition 116 funds?

The approval of the attached resolution amends PA-99-22, and will provide for \$900,000 in design engineering (previously allocated), and \$17,100,000 in construction funds for the Pacific Coast Highway Grade Separation project.

Recommendation:

Commission staff has reviewed the Proposition 116 amended application and recommends that the Commission approve the attached resolution, which would grant approval to the Department of Transportation (Department) for \$18,000,000 in Proposition 116 funds for the Pacific Coast Highway Grade Separation project. This approval would continue to fully commit the \$80,000,000 available in Proposition 116 funds (PUC Section 99624[a]) to four stand-alone fully funded projects.

Background:

Proposition 116 authorizes \$80,000,000 to Caltrans (PUC Section 99624[a]) for grade separations along the Alameda-San Pedro branch rail line connecting the Los Angeles and Long Beach Harbors with downtown Los Angeles and paralleling Alameda Street, to alleviate vehicle traffic congestion, conserve energy, reduce air pollution in the area and facilitate the more efficient and expeditious shipment of freight to and from the Los Angeles and Long Beach Harbors. The approved October 1994 application, outlined four (4) grade separation projects with associated Proposition 116 costs as follows:

- 1) Del Amo Boulevard, \$25,000,000;
- 2) Sepulveda Boulevard, \$16,000,000;
- 3) Pacific Coast Highway, \$18,000,000; and
- 4) Alameda Street, \$21,000,000.

PUC Section 99624[b] authorizes an exemption to the Public Utilities Commission's authority to set terms dividing expenses of railroad grade separations, set standards for proportioning costs of grade separations, and establish an annual prioritized list of grade separation projects, contingent upon the affected railroad corporation making a 10 percent contribution to the costs of constructing the grade separations. The four-grade separation projects listed as the Alameda Corridor projects have applied the 10 percent contribution from the railroad corporation in their funding plans, as required by Proposition 116.

In August 1997, the Commission approved an allocation for \$19,365,000 for right-of-way costs on the Del Amo Boulevard Grade Separation project. During the August 1997 allocation request the Department acknowledged that the right-of-way costs had increased from the estimate in the approved application. The Commission approved the allocation of \$19,365,000 with the condition that, prior to additional funds being allocated to the grade separation projects, Caltrans shall provide funding plans demonstrating that all four grade separation projects are fully funded.

In December 1997, the Commission approved Caltrans' amended application requesting the fully funded Sepulveda Boulevard Grade Separation project be a stand-alone project and approved a concurrent allocation of \$16,000,000 in Proposition 116 funds, so that this project could move forward and remain on schedule.

In August 1999, the Commission, approved the Department's amended application to separate the Del Amo Grade Separation project into a stand-alone project and to increase the amount previously approved in Proposition 116 funds on the Del Amo Boulevard Grade Separation project by \$9,100,000 while reducing the Proposition 116 funds on the Alameda Street project by \$9,100,000. The shift in Proposition 116 funds fully funded the Del Amo Boulevard Grade Separation project. As part of the approval the Commission set a condition that prior to execution of a Fund Transfer Agreement for Proposition 116 funds on the Alameda Corridor projects, the Department shall submit amended applications, in September 1999, for both the Alameda Street and the Pacific Coast Highway Grade Separation projects to separate the projects into stand-alone fully funded projects.

In August 1999, Commission staff received and reviewed the Department's amended applications for the Alameda Street and Pacific Coast Highway Grade Separation projects. In September 1999, the Commission approved the projects as scoped and separated the projects into two stand-alone projects.

In January 2002, Commission staff received and reviewed the Department's amended application for the Pacific Coast Highway Grade Separation project, which is the subject of this request. The Department is seeking approval to amend the project to include the new

preferred alternative, which will expand the scope of the project by shifting the viaduct westerly away from the oil refinery and constructing the extended overhead viaduct to grade separate, not only the Alameda Corridor Transportation Authority mainline tracks but also Alameda Street and the San Pedro Branch spur track, which serves the back area of the Port of Los Angeles. The preferred alternative has a total project cost of \$116,161,500, an increase of \$70,051,500 since the August 1999 application was approved. According to the Department the \$70,051,500 increase is primarily due to shifting the viaduct westerly and increasing the length of the overhead viaduct. The Pacific Coast Highway Grade Separation project has a total of \$18,000,000 in Proposition 116 funds and is fully funded using a mixture of State, Federal and railroad funds, as follows:

\$ 56,000,000	- Interregional Improvement Program
\$ 14,000,000	- Regional Improvement Program
\$ 18,000,000	- Proposition 116
\$ 11,500,000	- Federal Demonstration Funds
\$ 861,500	- ISTE A STURA Funds
\$ 14,000,000	- Alameda Corridor Transportation Authority Funds
<u>\$ 1,800,000</u>	- Private Railroad Funds
\$116,161,500	Total Funding

In summary, approval of the attached resolution will authorize the Department to expand the scope of work on the Pacific Coast Highway Grade Separation project to include the extended overhead viaduct to grade separate Alameda Street and the San Pedro Branch spur, as well as the Alameda Corridor Transportation Authority's mainline tracks. According to the Department, this preferred alternative will alleviate delays to vehicular traffic on Pacific Coast Highway at the Alameda Corridor rail crossing, Alameda Street, and the spur track rail line, as well as reducing the impact to the oil refinery property by shifting the viaduct westerly, away from the oil refinery. In addition, the Department believes that constructing the preferred alternative will improve safety by eliminating the at-grade crossings at these locations.

CALIFORNIA TRANSPORTATION COMMISSION

Commission Project Application Approval Amendment Department of Transportation on Behalf of the County of Los Angeles Proposition 116 Application for the Pacific Coast Highway Grade Separation - Alameda Corridor

Resolution #PA-02- Amending Resolution #PA-99-22

- 1.1 WHEREAS, in June 1990 the voters approved Proposition 116, the Clean Air and Transportation Improvement Act, for \$1.99 billion for rail and mass transportation purposes; and
- 1.2 WHEREAS, the California Transportation Commission is designated in Proposition 116 to oversee the five grant programs over the 20-year term of the Proposition; and
- 1.3 WHEREAS, Proposition 116 calls for the Commission to establish an application process and to develop and adopt guidelines to implement those programs; and
- 1.4 WHEREAS, Proposition 116 establishes as a purpose of the application process that it "facilitate implementation of improved cost-effective transit service to the maximum number of Californians and to prevent the funds provided for by this part from being spent on needlessly costly features"; and
- 1.5 WHEREAS, Proposition 116 requires applications to specify full and complete capital plans, financial plans, and operating plans, including schedules and funding sources; and
- 1.6 WHEREAS, in December 1990 the Commission adopted policy and application guidelines (#G-90-23) for the Proposition 116 rail program; and
- 1.7 WHEREAS, pursuant to Proposition 116, PUC Section 99624(a), and contingent upon approval by the Commission of an application for funding, \$80,000,000 shall be allocated to the California Department of Transportation (Department) for grade separations along the Alameda-San Pedro branch line connecting the Los Angeles and Long Beach Harbors with downtown Los Angeles and paralleling Alameda Street, to alleviate vehicle traffic congestion, conserve energy, reduce air pollution in the area, and facilitate the efficient and expeditious shipment of freight to and from the Los Angeles and Long Beach Harbors; and
- 1.8 WHEREAS, the Commission has established a "Hazardous Waste Identification and Cleanup Policy" (#G-91-2) which requires the applicant agency to have performed full due diligence in identifying the hazardous waste in the right-of-way and easements and properties and cleanup required, and that the State has been indemnified from cleanup liability or damages, both present and future; and

- 1.9 WHEREAS, the Commission has established a “Rail Right-of-Way Review Policy” (#G-95-09) which requires an evaluation of the applicant agency’s report on the appraisal cost and easement price of the rail right-of-way to be acquired; and
- 1.10 WHEREAS, the Commission’s policy and application guidelines (#G-90-23, Policy 33) require that in the event that a rail right-of-way project does not result in rail service by the year 2000 and the property is no longer needed, the Commission shall require that a liquidation plan be prepared by the grant recipient by January 31, 2000 for approval by the Commission to dispose of the property; and
- 1.11 WHEREAS, PUC Section 99624(b) authorizes an exemption to state statutes as they relate to the Public Utilities Commission’s authority to set terms dividing expenses of railroad grade separations, set standards for proportioning costs of grade separations, and establish an annual prioritized list of grade separation projects, contingent upon the affected railroad corporation making a 10 percent contribution to the costs of constructing the grade separations; and
- 1.12 WHEREAS, in December 1994, the Commission approved an application from the Department in PA-94-25 and in June 1996 an amended application in PA-96-16 for \$80,000,000 in Proposition 116 funds to be used with other state, local, railroad funds, for a total project cost of \$125.1 million for right-of-way acquisition, preliminary engineering and construction for four grade separations along Alameda Street. The grade separation projects included:
 - Pacific Coast Highway (\$31.6 million total project cost) - \$18,000,000 Proposition 116 Rail Bond funds - A 2,900 foot viaduct spanning the existing Southern Pacific and Santa Fe rail lines and Alameda Street.
 - Sepulveda Boulevard (\$27.1 million total project cost) - \$16,000,000 Proposition 116 Rail Bond funds - A 2,000 foot viaduct spanning the Southern Pacific rail line and Alameda Street.
 - Del Amo Boulevard (\$31.5 million total project cost) - \$25,000,000 Proposition 116 Rail Bond funds - A 2,300 foot viaduct spanning the Southern Pacific rail line and Alameda Street.
 - Alameda Street near Laurel Park Road (\$34.9 million total project cost) - \$21,000,000 Proposition 116 Rail Bond funds - A north-south grade separation that involves an extension of Santa Fe Avenue under the existing Southern Pacific rail line connecting Santa Fe Avenue with Alameda Street near Laurel Park Road; and
- 1.13 WHEREAS, in June 1996, the Commission authorized (PA-96-16) up to five percent of the \$80,000,000 in Proposition 116 funds approved for the Alameda Corridor Grade Separation project to be made available to the Department for pre-construction activities; and
- 1.14 WHEREAS, in February 1998, the Commission approved an amended application (PA-98-05) for \$16 million in Proposition 116 funds for the Sepulveda Grade Separation project, with changes in the design of the viaduct to 1,200 feet; a waiver of Allocation Resolution BFP-97-06 (Section 2.4) and the separation of the Sepulveda Grade Separation project from the other three previously approved Alameda Corridor Grade Separation projects (PA-96-16); and
- 1.15 WHEREAS, the Commission made an allocation in August 1997 to the Del Amo Boulevard Grade Separation project under BFP-97-06 (\$19,365,000) for right-of-way acquisition; and
- 1.16 WHEREAS, in August 1999, the Commission approved an application amendment from the Department requesting the Del Amo Boulevard Grade Separation Project go forward separately, which will allow for better project management and that \$9,100,000 from the

previously approved Alameda Street Grade Separation project be transferred to the Del Amo Boulevard Grade Separation Project to fully fund that project (the Alameda Street project will remain fully funded by backfilling with Federal Demonstration Project funds); and

- 1.17 WHEREAS, the Commission's approval of the application amendment for the Del Amo Grade Separation project with the condition that prior to the execution of a Fund Transfer Agreement for any Proposition 116 Alameda Corridor project, the Department shall submit completed Proposition 116 applications for the Alameda Street and Pacific Coast Highway Grade Separation projects to go forward as stand-alone projects and ensuring that each project is fully funded; and
- 1.18 WHEREAS, in August 1999, the Commission received an application amendment from the Department requesting \$18,000,000 in Proposition 116 funds for the Pacific Coast Highway Grade Separation project and that the project go forward separately, which will allow for better project management; and
- 1.19 WHEREAS, in January 2002, the Commission received an application amendment from the Department requesting \$18,000,000 in Proposition 116 funds for the Pacific Coast Highway Grade Separation project to include the new preferred alternative, which will expand the scope of the project by shifting the viaduct westerly away from the oil refinery and constructing an extended overhead viaduct to grade separate the Alameda Corridor Transportation Authority mainline tracks, Alameda Street, and the San Pedro Branch spur track.
- 2.1 BE IT THEREFORE RESOLVED, that the Commission hereby grants approval of the amended application for \$18,000,000 in Proposition 116 funds for the fully funded Pacific Coast Highway Grade Separation project; and
- 2.2 BE IT FURTHER RESOLVED, that a Proposition 116 project approval by the Commission reserves the State funding within the Program, and allows project development work to be undertaken by the applicant agency, which will be subject to state reimbursement pursuant to the Commission's "Financial Guidelines for Local Agency Reimbursement" and subsequent fund transfer agreement.